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**Proposed programme budget for the biennium 2016-2017**

# Section 13, International Trade Centre

## Second report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2016-2017

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget of the International Trade Centre (ITC) for the biennium 2016-2017 (A/70/6 (Sect. 13)/Add.1/Rev.1). During its consideration of the report, the Committee met with the Executive Director of ITC and representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 8 October 2015.

2. Pursuant to the arrangements set out in General Assembly resolution 59/276, a simplified budget fascicle was submitted in document A/70/6 (Sect. 13), with a preliminary estimate to accommodate the programme of activities of ITC for the biennium 2016-2017. In its first report on the proposed programme budget for the biennium 2016-2017, the Advisory Committee recommended that, without prejudice to its consideration of the detailed proposed programme budget for ITC for the biennium, the General Assembly take note of the resources proposed in the preliminary budget estimate (A/70/7, chap. II, para. IV.105).

3. Information on the estimated resource requirements of ITC for the biennium 2016-2017 is provided in table 13.3 of the budget document (A/70/6 (Sect. 13)/Add.1/Rev.1). The budget is to be funded equally by the two parent organizations of ITC, the United Nations, acting through the United Nations Conference on Trade and Development (UNCTAD), and the World Trade Organization (WTO).

4. The proposed resources for the biennium 2016-2017 for section 13 amount to SwF 73,397,600 before recosting, which is the same as the revised appropriation for the biennium 2014-2015. After recosting, the proposed net resource requirement amounts to SwF 75,101,700, which takes into account the projected miscellaneous income for the biennium, amounting to SwF 400,000.[1] The net contribution of each

[1] The proposed overall resources for the biennium 2016-2017 amount to SwF 75,501,700 (after recosting).



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parent organization of ITC is therefore estimated at SwF 37,550,850 (i.e. 50 per cent of SwF 75,101,700) (see A/70/6 (Sect. 13)/Add.1/Rev.1, para. 13.31 and table 13.3).

5. The regular budget resources for the biennium 2016-2017 would be supplemented by projected extrabudgetary resources amounting to approximately $126.0 million, equivalent to SwF 119.7 million (ibid., para. 13.32). A total of 20 posts, funded from extrabudgetary sources (ibid., table 13.4), are proposed, as in 2014-2015.

**Posts**

6. According to the supplementary information provided to the Advisory Committee, an amount of SwF 56,743,300 is proposed, before recosting, under post resources for the continuation of 160 posts (91 in the Professional and higher categories and 69 in the General Service and related categories) (ibid., para. 13.49), which is the same as the post resources for the biennium 2014-2015.

**Comments on non-post resources**

7. As indicated in the supplementary information, the overall estimate for non-post resources for 2016-2017 amounts to SwF 16,654,300, the same as the revised appropriation for 2014-2015. In the overall non-post requirements, an increase under consultants (SwF 400,000) is offset by decreases under other staff costs (SwF 150,000), general operating expenses (SwF 150,000) and supplies and materials (SwF 100,000).

*General operating expenses*

8. The supplementary information provided by the Secretary-General indicates that a reduction of SwF 150,000 is proposed under general operating expenses, owing to lower costs for local and international telephone charges. The Advisory Committee was informed upon enquiry that, as a result of a revised service contract negotiated by the United Nations Office at Geneva for all Geneva-based offices, the telecommunications expenditures for mobile and fixed-line telephone charges had been significantly reduced. The provisions in the revised contract included a uniform rate of SwF 120 per mobile telephone per month compared with an average monthly cost of SwF 258 per mobile telephone under the earlier contractual arrangement. It was also indicated that, under the earlier contractual arrangement, ITC had fallen outside an umbrella agreement for the Geneva-based United Nations entities, and therefore was unable to derive the full benefits of the discount allowable under that agreement. The Committee was further informed that, in view of the reduction in mobile and fixed-line telephone charges, the related resources proposed for 2016-2017 were lower than the level approved for the biennium 2014-2015.

9. The Advisory Committee enquired as to the effect of the reduced telecommunications charges on other Geneva-based United Nations entities. The Committee was provided with the relevant information concerning section 29F, Administration, Geneva and section 24, Human rights. It was indicated that the projections for telecommunications expenditures in the two sections under the proposed programme budget for the biennium 2016-2017 had not been reduced in the light of the reduced telecommunications charges. The Committee was further informed that the effects of reduced charges were fully offset under section 29F by increases resulting from the increase in the number of users for both fixed-line and

mobile telephones, and under section 24 by increases in telecommunications costs in the field offices. **The Committee expects that further information in this regard, in respect of all other Geneva-based entities of the United Nations, will be provided to the General Assembly at the time of its consideration of the proposed programme budget for the biennium 2016-2017.**

*Official travel*

10. The supplementary information further indicates that an amount of SwF 678,300 is proposed for official travel for the biennium 2016-2017, which is the same as that appropriated for 2014-2015. Consistent with its review of the proposed programme budget of other sections, the Advisory Committee sought information with respect to compliance by ITC with the requirement for advance purchase of tickets.[2] The Committee was informed upon enquiry that in 2014 ITC had purchased 31 per cent of its tickets for official travel 16 days or more in advance of such travel. For the period from January to August 2015, the corresponding rate was 43 per cent. **The Committee notes the low level of compliance by ITC with the requirement for advance booking and purchase of tickets, particularly in view of its predominantly predictable travel requirements. The Committee expects that immediate steps will be taken to ensure compliance with this requirement, leading to a more efficient use of funds allocated for official travel.**

**General comments**

*Simplified budget procedures*

11. The Secretary-General indicates that, in response to the request made by the Advisory Committee to simplify the administrative arrangements so as to require a single review of the budget proposal by the Committee in the year preceding the financial period, consultations were held with the relevant representatives of the United Nations and WTO. Further to those consultations, he proposes that, starting with the biennium 2018-2019, ITC no longer submit a simplified fascicle as stipulated in the current administrative arrangement. ITC would continue to submit the proposed programme budget in detail to the review bodies, the General Assembly and the WTO General Council in the fourth quarter of the year preceding the financial period. To ensure their inclusion in the Secretary-General's proposed programme budget for the biennium concerned, the proposed resource requirements for ITC would be indicated both in Swiss francs and the United States dollar equivalent in the Foreword and introduction to the proposed programme budget (see A/70/6 (Sect. 13)/Add.1/Rev.1, paras. 13.27 and 13.28). **The Committee welcomes the simplified budget procedure proposed by ITC and trusts that the programme budget for the biennium 2018-2019 proposed by the Secretary-General will contain the relevant information as indicated.**

[2] In accordance with United Nations staff rule 7.8 and the administrative instruction on official travel issued by the United Nations Secretariat (ST/AI/2013/3), all travel arrangements for individuals travelling on behalf of the United Nations, including advance booking and purchase of tickets, should be finalized 16 calendar days in advance of commencement of official travel.

*Establishment of a liaison arrangement in Addis Ababa*

12. It is proposed that, during the biennium 2016-2017, ITC strengthen its engagement with least developed countries, landlocked developing countries, small island developing States, sub-Saharan African countries, countries in situations of conflict and post-conflict countries and countries with small, vulnerable economies by establishing a liaison arrangement in Addis Ababa. An office in Addis Ababa was intended to enhance resource mobilization opportunities and help continue building relationships with field-based donor representatives and other strategic partners, including the private sector, for priority countries and regions (ibid., para. 13.22). ITC proposes that the office be headed by a D-1, with the post funded from the regular budget and redeployed from the Office of the Executive Director, and that, as indicated in the supplementary information provided to the Advisory Committee, the head of the office in Addis Ababa be responsible for ensuring greater presence, continuity and impact of ITC programmes in countries that demanded the largest share of its resources. The Committee was informed upon enquiry that the proposed office in Addis Ababa would include in its staffing, in addition to the D-1 post mentioned above, one Associate Officer at the P-2 level and other project staff, funded by voluntary contributions. **The Committee welcomes the new liaison arrangement in Addis Ababa.**

*Outreach*

13. The Advisory Committee was informed upon enquiry that the outreach efforts of ITC were accomplished through several means including: an online learning centre for small and medium-sized enterprises, started in September 2014; its website, publications programme and social media; significant events such as the annual World Export Development Forum and the annual Trade for Sustainable Development Forum; and meetings of the Executive Director and Deputy Executive Director with regional and country groups. **The Committee encourages ITC to continue to enhance the effectiveness of its outreach to beneficiaries.**

*Strategic plan and funding*

14. It is stated in the proposed budget document that ITC has adopted a strategic plan for 2015-2017, developed through a consultative process, which sets out a vision of growth by concentrating interventions around six focus areas (ibid., para. 13.14). The focus areas are aligned with the Sustainable Development Goals and described in paragraph 13.15 of the proposed budget. It is also indicated that demand for ITC technical assistance continues to outpace available resources, which has led ITC to find innovative ways to deliver its assistance (ibid., para. 13.21). The Advisory Committee was informed upon enquiry that ITC interventions in the six focus areas would be supported by both regular budget and extrabudgetary resources. The Committee was further informed that, taking into account the relatively stable level of resources provided by the regular budget, ITC would increasingly leverage voluntary contributions in order to step up delivery within those areas and to meet the demands of its beneficiaries. **The Committee encourages ITC to broaden its donor base in order to support and sustain its programmes.**

15. The Advisory Committee was informed that, following the end of the previous cycle, the current strategic plan cycle of ITC for 2015-2017 had been developed to respond to the emerging Sustainable Development Goals and the arrival of a new

leadership team. The Committee was further informed that, by developing a three-year strategic plan for 2015-2017, ITC sought alignment with the quadrennial comprehensive policy review of operational activities for development of the United Nations system, which covered 2014 to 2017.

**Conclusion**

16. **The Advisory Committee recommends that the General Assembly approve the proposed budget under section 13, International Trade Centre, of the proposed programme budget for the biennium 2016-2017, taking into consideration its comments in paragraph 10 above.**